

Salisbury, North Carolina  
October 2, 2018

## **REGULAR MEETING**

**PRESENT:** Mayor Al Heggins, Presiding; Mayor Pro Tem David Post; Council Members Karen Alexander, William Brian Miller, and Tamara Sheffield; City Manager W. Lane Bailey; City Clerk Diane Gilmore, and City Attorney J. Graham Corriher.

**ABSENT:** None.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Heggins at 5:00 p.m.

## **PLEDGE OF ALLEGIANCE**

Mayor Heggins led those present in the Pledge of Allegiance to the United States flag.

## **RECOGNITION OF VISITORS**

Mayor Heggins welcomed all visitors present.

## **CHANGE TO THE AGENDA**

Mayor Heggins noted the following changes to the Agenda:

Correction – La Fiesta de Rowan Day will be held on October 6, 2018.

Add – Authorize the City Manager to execute a contract with Architecture, Engineering, Construction, Operations, and Management (AECOM) for an amount of \$106,500.

Add – a Resolution authorizing the City Manager to execute documents for the development of the Empire Hotel.

## **PROCLAMATION**

Mayor to proclaim the following observances:

LA FIESTA DE ROWAN DAY	OCTOBER 10, 2018
FIRE PREVENTION WEEK	OCTOBER 7-13, 2018
ROWAN COUNTY UNITED WAY MONTH	OCTOBER 2018

Mayor Heggins read the La Fiesta de Rowan Day Proclamation and presented a copy to Ms. Flora Calderon-Steck and Ms. Lillian Spears.

Mayor Heggins read the Rowan County United Way Proclamation and presented a copy to Mr. John Struzick.

Mayor Heggins read the Fire Prevention Month Proclamation and presented a copy to Fire Marshall Terry Smith, Fire Inspector/Investigator and Fire and Life Safety Educator Kimberley Boling, and Fire and Life Safety Educator Wesley Jackson.

Mayor Heggins referred to the new Fire Station 6 groundbreaking ceremony held earlier today and noted Fire Station 6 would be named in memory of fallen firefighters Vic Isler and Justin Monroe.

## **CONSENT AGENDA**

### **(a) Approval of Minutes**

Adopt Minutes of Special meeting August 14, 2018 and Regular meeting of September 4, 2018.

### **(b) Budget Ordinance Amendment – Transit Funds**

Authorize the City Manager to execute a contract with Architecture, Engineering, Construction, Operations, and Management (AECOM) for an amount of \$106,500, and adopt a Budget Ordinance Amendment to the FY2018-19 budget in the amount of \$106,500 to appropriate funds for a Long-Range Public Transportation Master Plan.

ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE TRANSIT FUND BALANCE FUNDS

(The above Ordinance is recorded in full in Ordinance Book No. 27 at Page No. 132 and is known as Ordinance 2018-47.)

Thereupon, Mayor Pro Tem Post made a **motion** to adopt the Consent Agenda as presented. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

### **ECONOMIC DEVELOPMENT INCENTIVE PROJECT CARE**

Rowan Economic Development Commission (EDC) Vice President of Operations Scott Shelton addressed Council regarding an Incentive Grant request for Project Care. He indicated Project Care could be a \$68 million investment opportunity for Salisbury. He estimated \$4,580,911 of new tax revenue for the City over the next 10 years with 59 new jobs by the end of 2020. He commented the company referred to as Project Care is an advanced manufacturing company that employs people in the community. He noted Salisbury is competing with other facilities in the western United States and three foreign countries for the facility expansion location.

Mr. Shelton pointed out the company would invest approximately \$68 million with improvements to its existing facility and equipment upgrades. He added the improvements are estimated to be completed by the end of 2019.

Mr. Shelton commented under the City Incentive Grant Program a company that invests over \$50 million is eligible for a Level 2 Grant, which is equivalent to 80% of increased tax revenue generated that would be returned to the company in the form of a grant on an annual basis for five years. He stated Rowan County Commissioners approved a similar request for Project Care assistance at its October 1, 2018 meeting.

Mr. Shelton stated the City's current tax rate is 0.7169, and he noted if the tax rate increases projected numbers could change. He added amounts are based on the assumption the company will complete the project by December 31, 2019. He commented under the City's current incentive agreement policy it is estimated the City would collect \$2.1 million over five years with an incentive grant of \$1.7 million and the City would retain \$428,706. He pointed out the 10-year incentive analysis indicates the City would collect an estimated \$4,580,991 less the incentive grant of \$1,714,825 with an estimated \$2,866,166 in City revenue.

Mr. Shelton reviewed the City would provide the grant in installments over a five-year period, and Project Care would only request payment after all assessed real and personal property taxes had been paid. He commented each fiscal year the company would request the disbursement of grant funds and must certify the employment goals have been met prior to receiving payment. He stated if the company does not meet and maintain employment goals, the City would reduce the annual grant payment on a pro-rata basis until goals have been met. He indicated the reduction should be computed based on the percentage of goals not met for the given year. He commented if the company were to cease operations or eliminate the majority of its workforce, which is considered to be 51% or more within 12 months, the agreement would be terminated. He added

the company would be required to repay grant proceeds 36 months prior to the cessation or reduction.

Mr. Shelton reviewed Project Care and Project Arizona are located in close proximity of each other and both companies have expressed an interest in a new shared access road that would provide better truck flow and driver safety. He noted new road options are being discussed by management of the two companies and the North Carolina Department of Transportation (NCDOT). He stated if both companies decide to move forward to develop a new road, the EDC would explore a variety of grant options to help fund new road construction. He added both companies might request funding assistance from the City and Rowan County.

Mr. Shelton noted the EDC requests Council consider the incentive grant request for Project Care.

Mayor Pro Tem Post asked if the County was aware of the request for funding a new road. Mr. Shelton commented the County has had discussions about funding new road development.

Mr. Shelton commented the company has indicated it will make a decision regarding its future location by the end of 2018.

(b) Mayor Heggins convened a public hearing to receive comments regarding an Economic Development Incentive Grant approximately \$1,714,825 for Project Care.

Mr. Larry Ford commented he supports Project Care to help Salisbury's growth.

There being no one to speak, Mayor Heggins closed the public hearing.

Councilmember Sheffield asked if the new road development is a condition of passing the Incentive Grant. Mr. Shelton commented he was providing information only and the new road is not a condition. Councilmember Sheffield asked if he presented the same information to Rowan County regarding the new road. Mr. Shelton agreed.

City Attorney Graham Corriher commented a motion has been accepted in the past but based on the amount being requested he recommends Council consider adopting a Resolution to authorize the City Manager to execute documents associated with the grant. He provided Council a Resolution that provides the City Attorney the authority to review or make changes within the policy relating to Economic Development. He commented the grant amount, the five-year term, and the City policy could not be adjusted.

Thereupon, Councilmember Sheffield made a **motion** to adopt a Resolution approving the Economic Development Incentive Grant of \$1,714,825 for Project Care. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE GRANT FOR PROJECT CARE

(The above Resolution is recorded in full in Resolution Book No. 15 at Page No. 46 and 47, and is known as Resolution 2018-29.)

### **ECONOMIC DEVELOPMENT INCENTIVE PROJECT ARIZONA**

Rowan Economic Development Commission (EDC) Vice President of Operations Scott Shelton addressed Council regarding an Incentive Grant request for Project Arizona. He noted Project Arizona could be a \$188 million investment opportunity for Salisbury. He estimated \$11,277,554 of new tax revenue for the City over the next 10 years with the creation of 77 new jobs by the end of 2022. He commented the company referred to as Project Arizona is an advanced manufacturer that will provide new opportunities and investments within the company. He noted Salisbury is competing with multiple facilities in Europe for the expansion.

Mr. Shelton pointed out the company would invest approximately \$188 million in improvements and construction of an additional facility as well as new equipment placement, with improvements completed by the end of 2023.

Mr. Shelton commented under the City Incentive Grant Program a company that invests over \$100 million is eligible for a Level 3 Grant, which is equivalent to 85% of increased tax revenue generated that is returned to the company in the form of a grant on an annual basis for five years. He reviewed the Rowan County Commissioners approved a similar assistance request for Project Care at its October 1, 2018 meeting.

Mr. Shelton noted the City's current 0.7169 tax rate and indicated if the tax rate increased amounts would change. He added the numbers are based on the assumption the company would complete the project by December 31, 2023. He commented the City is estimated to collect \$4,538,694 million over five years with an incentive grant of \$3,857,890 million and the City would retain \$680,804. He shared the 10-year incentive analysis indicates the City would collect an estimated \$11,277,554 less the incentive grant of \$3,857,890 with estimated \$7,419,664 in City revenue.

Mr. Shelton reviewed the City provides grants by installments over a five-year period. He noted Project Arizona could only request payment after all assessed real and personal property taxes are paid. He stated the proposed incentive agreements require the company to request reimbursement of grant funds each year, and the company must certify the employment goals have been met, prior to receiving payment. He stated if the company does not meet and maintain employment goals, the City would reduce annual grant payments on a pro-rata basis until employment goals are met, he added reduction shall be computed based on the percentage of goals not met for the given year. He indicated if the company were to cease operations or eliminate the majority of its workforce, with 51% or more within a 12 month period, the agreement is terminated. He stated in the event the agreement would need to be terminated the company will be required to repay the City all grant proceeds provided during the 36 months prior to the cessation or reduction.

Mayor Pro Tem Post asked if new road construction funding could be altered if one of the two companies did not choose Salisbury. Mr. Shelton commented he believes the road could be altered if one of the companies did not choose Salisbury, and he added the overall cost of the project would reduce.

Mayor Pro Tem Post asked if there has been a conversation between the two companies about the new road proposal and incentive grants. Mr. Shelton commented Rowan EDC has met with both companies. He noted the companies are on similar timelines for completion and have communicated prices and plans may change in the event the other company does not choose Salisbury as its investment location.

(b) Mayor Heggins convened a public hearing to receive comments regarding an Economic Development Incentive Grant approximately \$3,857,890 for Project Arizona.

Mr. Larry Ford commented he supports Project Arizona and hopes the EDC can share with the companies the support Salisbury has to offer.

There being no one to speak, Mayor Heggins closed the public hearing.

Thereupon, Councilmember Sheffield made a **motion** to adopt a Resolution approving the Economic Development Incentive Grant of \$3,857,890 for Project Arizona. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

#### RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE GRANT FOR PROJECT ARIZONA

(The above Resolution is recorded in full in Resolution Book No. 15 at Page No. 48 and 49, and is known as Resolution 2018-30.)

#### **LAND DEVELOPMENT ORDINANCE TEXT AMENDMENT TA-03-2018**

Development and Code Services Manager Preston Mitchell addressed Council regarding Land Development Ordinance (LDO) Text Amendment TA-03-2018 to amend Chapters 2,4,5,6,8,10,11,12, and 18 as it relates to Institutional Campus (IC) zoning provisions.

Mr. Mitchell commented the proposed text amendment re-writes the IC district to be identified as Community and Institution (CI) districts for greater inclusion and a broader definition than just campus-oriented use. He noted the intent for the proposed re-write is to allow for areas to be zoned that are not considered campus-oriented, a need for zonings to be consistent, and electronic messaging centers (EMCs). He referenced a recent Highway Business (HB) rezoning request from Maranatha Church on Statesville Boulevard to allow for electronic signs. He reviewed the rezoning was not a long-term solution, and he noted safety concerns for EMCs in residential areas. He stated rezoning single properties for electronic signage would be considered spot zoning. He pointed out the proposed amendment would retool the IC district into the new CI

district and introduce specific signage permissions, such as EMCs, into residential areas. He stated the placement of EMCs signs could only be adjusted by the entire zoning district, rather than legislating specific uses.

Mr. Mitchell stated the Planning Board agreed on a final draft at its August 14, 2018 meeting and unanimously voted in favor of the multi-chapter LDO text amendment.

Mayor Pro Tem Post commented he received phone calls from concerned citizens regarding the placement of EMCs in residential neighborhoods, and he asked if all institutions would automatically be rezoned. Mr. Mitchell commented the text amendment will be considered the easier portion of the rezoning that will potentially rezone hundreds of properties. He noted current IC zones would be converted automatically to the new CI, and he added residential and commercial properties would be downzoned or upzoned to allow for the EMCs option. He noted residents would be able to opt out of the rezoning because properties will not be mandated for rezoning. He noted the City would be considered the petitioner in the proposed rezoning and staff would explain to citizens the procedure if residents change their mind years down the road.

Councilmember Miller asked how residents can choose to be a part of the rezoning or choose to be omitted. Mr. Mitchell commented residents would automatically be included in the rezoning.

Mayor Pro Tem Post asked if residents have a time limit to respond. Mr. Mitchell commented the Planning Board would not rush rezoning. He commented State law allows 30 days for residents to make a decision.

Councilmember Alexander asked about EMCs size requirements. Mr. Mitchell commented sign Codes are based on zoning and development, and sign sizes are based on parcel square footage and road location.

(b) Mayor Heggins convened a public hearing, after due notice thereof, to receive comments regarding TA-03-2018.

Ms. Dottie Hoy asked for clarification regarding neighborhoods having no say in the rezoning. Mr. Mitchell shared Council will have to approve the text amendment that changes the Code to allow EMCs in the future. He noted a large-scale property rezoning would be next, and he added if approved, then a church could request a permit to install a EMCs sign. Ms. Hoy asked if neighbors would have no say if a church wanted to place a EMCs sign that could flash 24-hours a day. Mr. Mitchell commented the signs would not be allowed to flash, and he added if the property is properly zoned the sign installment could happen. Ms. Hoy shared her opposition to EMCs placement and noted many churches are located within neighborhoods.

Mayor Heggins asked if the size of the signs would be determined based on the area. Mr. Mitchell agreed and noted signs could not exceed 32 square feet.

Councilmember Sheffield asked if the sign ordinance would change if the proposed ordinance is passed. Mr. Mitchell agreed, and he commented changes are being made to Chapter

12 of the sign ordinance, but other elements established in the sign Code would not be affected. Councilmember Sheffield asked if changes being made to the sign ordinance are because of the rezoning from IC to CI district. Mr. Mitchell agreed.

Ms. Carol Palmeroy shared her opposition for the rezoning to allow for EMCs signs.

There being no one else to address Council, Mayor Heggins closed the public hearing.

Mayor Pro Tem Post asked if a public hearing was held at the Planning Board meeting. Mr. Mitchell commented the board held a courtesy hearing. Mayor Pro Tem Post asked if any participants from the neighborhoods attended. Mr. Mitchell commented no and pointed out it being difficult to notify for a text amendment, and he shared the Planning Board has considered this text amendment over several months.

Mayor Heggins asked what prompted the discussion to consider the IC rezoning. Mr. Mitchell commented interest from groups including schools, churches, and the Rowan County Rescue Squad, and he noted more than five properties came forth with EMCs interest.

Mayor Heggins asked if those who showed an interest for EMCs signs are located along major thoroughfares. Mr. Mitchell indicated the request has come from a variety of zoning districts.

Mayor Heggins asked if requests came from communities or neighborhoods that are surrounded by homes. Mr. Mitchell shared Overton and Knox Elementary schools are located in neighborhoods. Mayor Heggins commented there is a buffer between residents and Overton and Knox Elementary Schools. Mr. Mitchell agreed and noted zoning districts have to be uniform regardless of the area. He noted a limitation could be added to the proposed rezoning that prohibits EMCs be placed near buffers and noted those limitations could eliminate IC zonings in more urbanized areas.

Mr. Mitchell reviewed that signs cannot flash, must roll through messages at 30 seconds intervals, and are equipped with brightness limitations.

Councilmember Sheffield asked if properties are allowed to have a sign that is illumined by a bulb and the message us changed manually. Mr. Mitchell agreed.

Councilmember Miller asked if the request is to change IC to CI to better fit a larger category for rezoning. Mr. Mitchell commented changes are being made to the ordinances. Councilmember Miller commented he supports the review of boulevard rezonings and for public input. He commented he believes there would be no issue for EMCs placement on Jake Alexander Boulevard but could see where an issue may occur with an area such as Maupin Avenue. He suggested Council approve a text amendment to allow for more zoning classification opportunities for institutional and community type uses, and Council could then take a slower approach to determine rezoning needs.

Mayor Pro Tem Post commented he believes the public might not have had an opportunity to consider the rezoning. Mr. Mitchell commented public notices will be given to the public with an opportunity to provide feedback.

Councilmember Sheffield asked if residents would be allowed to install EMCs signs immediately if the proposed ordinance is passed at this meeting. Mr. Mitchell commented not until rezoning processes are complete.

Councilmember Alexander asked about current regulations relating to signs in neighborhoods, and she asked how the rezoning would affect the historic district. Mr. Mitchell commented he does not recommend altering the zoning ordinance based on areas. He commented it could make the zonings more cumbersome and State regulations do not allow it. He noted the Historic Preservation Commission (HPC) is a quasi-judicial board and staff would continue to rely on the HPC to uphold its guidelines.

Mayor Pro Tem Post asked City Attorney Graham Corriher how Council could make sure the concept of opting residents in or out of the proposed rezoning would actually take place. Mr. Corriher responded the rezoning would have to come back to Council for a vote. Mr. Corriher commented the rezoning would return to Council whether the Planning Board rezones parcel by parcel or if rezonings are presented to Council as a whole.

Councilmember Miller commented it was discussed to opt-in properties located along a boulevard or major thoroughfare and then Planning Board could present a second set of rezonings for minor thoroughfares, and a third set of rezonings to include local streets, and then return to Council for consideration. He stated he thinks it would allow Council the opportunity to review areas with different characteristics and allow the public an opportunity to provide feedback.

Mayor Pro Tem Post asked for clarification. Mr. Corriher noted the City would be considered the petitioner, and the City would select which properties to be rezoned. He noted property owners would receive notification and could opt-out by contacting the Planning Department. Mr. Mitchell commented throughout the rezoning process there would be opportunities for the public to offer input. He commented the department would publish the appropriate advertisements to institutions and adjoining properties.

Mayor Heggins asked if adjustments would need to be made to the proposed text amendment. Mr. Mitchell pointed out the only suggested adjustment was to add buffer restrictions, and he suggested he could return to Council with an ordinance for buffer restrictions.

Councilmember Sheffield asked how soon a buffer amendment could be returned to Council for consideration. Mr. Mitchell commented it could be presented to the Planning Board and could possibly return to Council at its November 6, 2018.

Councilmember Miller stated the City Council hereby finds and determines that adoption of an ordinance to amend the Land Development Ordinance of the City of Salisbury as underlined or stricken herein is reasonable, in the public interest, and consistent with the Vision 2020 Comprehensive Plan relative to continually refining the policies and provisions of the development

process and finding creative solutions for unique properties while protecting neighborhood interests. Thereupon, Councilmember Miller made a **motion** to adopt an Ordinance amending Chapters 2,4,5,6,8,10,11,12, and 18 of the City of Salisbury, North Carolina, related to Institutional Zoning provisions. Councilmember Sheffield seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

**ORDINANCE AMENDING CHAPTERS 2,4,5,6,8,10,11,12, AND 18 OF THE SALISBURY LAND DEVELOPMENT ORDINANCE, OF THE CITY OF SALISBURY, NORTH CAROLINA, RELATED TO INSTITUTIONAL ZONING PROVISIONS.**

(The above Ordinance is recorded in full in Ordinance Book No. 26 at Page No. 133-201, and is known as Ordinance 2018-48.)

**PUBLIC COMMENT**

Mayor Heggins opened the floor to receive public comments.

Mr. Larry Ford shared information about the difference between Scotch and Scots Irish.

Mr. Ronnie Smith thanked Council for hearing the request for the Rowan County Vietnam Veterans Memorial, and he shared a past experience he had with former president Ronald Nixon.

There being no one to address Council, Mayor Heggins closed the public comment session.

**RECESS**

Mayor Heggins made a **motion** to take a five minute recess and all Councilmembers in attendance agreed unanimously to recess.

The meeting reconvened at 6:45 p.m.

**LAND DEVELOPMENT ORDINANCE TEXT AMENDMENT TA-05-2018**

Development and Code Services Manager Preston Mitchell addressed Council regarding Land Development Ordinance (LDO) Text Amendment TA-05-2018. He noted a review of Chapter 15 (Development Process) as it relates to public hearing notifications for rezonings was a previous request made by Council. He noted the Planning Board met on August 14, 2018, for final discussions regarding the distance requirements for mailed notifications, if pre-application meetings at staff levels should be mandated, and if public hearings at community meetings should be mandated.

Mr. Mitchell noted the Planning Board was unanimous with its recommendation to not mandate pre-application meetings because those meetings are held at a staff level, and he noted

staff has consistently held pre-application meetings since the inception of the LDO in 2008. He added developers are appreciative of pre-application meetings as it helps eliminate any issues before the developer submits its final application.

Mr. Mitchell noted the Planning Board recommended enlarging the distance requirements for mailed notices from 100 feet to 500 feet. He commented the rezoning notification areas would consist of three groups urbanized, suburban, and rural, and he provided Council an example of what those differences would look like. He noted yard signage and advertisements would remain a part of ordinance requirements.

Councilmember Miller asked how the 500-foot area for mailed notification was determined. Mr. Mitchell commented staff researched surrounding areas to review mailing notifications and found 500 feet to be the average for mailed notifications.

Mayor Pro Tem Post asked Mr. Mitchell if he knew how 500 feet could have impacted the Drummond Village area rezoning. Mr. Mitchell commented he could retrieve data and return to Council.

Councilmember Miller commented the purpose of the rezoning is to be transparent. He asked if there would be increased mailing costs for the City associated with expanding notifications from 100 feet to 500 feet. Mr. Mitchell commented he believes the expansion would not have a cost impact, and he pointed out fees associated with mailed notices are a part of rezoning filing fees.

Councilmember Miller asked if a postcard that includes a website link for people to access more information would be acceptable for mailed notifications. Mr. Mitchell commented a postcard might not meet general statute requirements, and he noted notifications have to be in the form of a letter and be legible. He stated he would contact the University of North Carolina (UNC) at Chapel Hill School of Government (SOG) regarding possible alternative mailed notification.

Councilmember Sheffield asked if the proposed notification area of 500 feet would pertain to all rezonings. Mr. Mitchell commented the Code cannot be written based on urban, suburban, and rural areas and must be based on zoning districts. He noted rezoning districts could distinguish a certain footage requirement for mailed notification but would need to be consistent. He pointed out rezoning matters are legislated, and he added the further districts are expanded the impacts could be negotiable.

(b) Mayor Heggins convened a public hearing, after due notice thereof, to receive comments regarding TA-05-2018.

There being no one else to address Council, Mayor Heggins closed the public hearing.

Mayor Pro Tem Post stated the City Council hereby finds and determines that adoption of an ordinance to amend the Land Development Ordinance of the City of Salisbury as underlined or stricken herein is reasonable, in the public interest, and not inconsistent with the Vision 2020 Comprehensive Plan because there are no specific objections or continuance of adopted goals or

policies. Thereupon, Mayor Pro Tem Post made a **motion** to adopt an Ordinance amending Chapter 15 (Development Process) of the Salisbury Land Development Ordinance, of the City of Salisbury, North Carolina, related to Rezoning Public Hearing Notifications. Councilmember Miller seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

ORDINANCE AMENDING CHAPTER 15 (DEVELOPMENT PROCESS) OF THE SALISBURY LAND DEVELOPMENT ORDINANCE, OF THE CITY OF SALISBURY, NORTH CAROLINA, RELATED TO REZONING PUBLIC HEARING NOTIFICATIONS.

(The above Ordinance is recorded in full in Ordinance Book No. 26 at Page No. 202-205, and is known as Ordinance 2018-49.)

**REPORT SALISBURY COMMUNITY DEVELOPMENT CORPORATION**

Community Development Corporation (CDC) Executive Director Chanaka Yatawara presented a report on the CDC. He stated the CDC is a 501(c)(3) nonprofit organization and governed by a board of directors. He shared the CDC has a mission to provide affordable housing to families in Rowan County and create partnerships to help the CDC be successful.

Mr. Yatawara reviewed CDC contracts with the City of Salisbury, Rowan County, Town of East Spencer, and Town of Spencer. He noted neighborhood revitalization programs are classified by two forms: Homeownership program, and Owner-Occupied Rehabilitation Program. He noted the Homeownership program is to assist families with new construction, rehabilitation of existing homes, homebuyer education opportunities, and down payment assistance to become successful homeowners. He reviewed Rehabilitation programs have available funding from the Community Development Block Grant (CDBG) and HOME funds and noted a home has to be in substandard condition with a need for repairs. He noted staff works closely with Code Enforcement officers to identify substandard homes, and he added funds are provided to families with a low-interest loan or with a grant that is based on income. He shared CDC has six current applications.

Mr. Yatawara commented program funding is supported by the City as well as CDBG and HOME funds. He indicated the CDC received funding from the North Carolina Housing Agency in the amount of \$175,000, and the CDC is required to rehabilitate four to five homes annually within City limits. He commented the CDC recently received Urgent Repair Program funding from the North Carolina Housing Finance Agency that does not include homes in the City of Salisbury or City of Kannapolis. He noted funds provide emergency repairs such as roof and heating, ventilation, and air condition (HVAC) needs. He pointed out the CDC has a goal to repair 10 homes by the end of 2019.

Mr. Yatawara commented the Town of East Spencer received a \$500,000 CDBG grant from the North Carolina Department of Commerce to rehabilitate 25 substandard homes over a two year period.

Mr. Yatawara stated homeownership applicants must be a first-time homebuyer, be willing to save \$1,000, have an income below 80% Rowan County's median income, and complete the homebuyer education course.

Mr. Yatawara shared the Homebuyer education program is now offered online and helps educate and prepare families and individuals before purchasing a home.

Mr. Yatawara reviewed current homeownership projects for 2018. He referenced a project located on Grove Street that had a tax value of \$89,000 when the CDC purchased it, then once rehabilitation was complete the value of the property increased to \$133,000 and the home was sold for \$139,900. He stated the CDC does not want to alter real estate market values. He noted a home sold to a family who had been working with the CDC for over two years. He reviewed the CDC has projects located on North Shaver Street, South Jackson Street, West Monroe Street, and at South Carolina Avenue in Spencer. He referenced past revitalization projects in the Park Avenue, Jersey City, and West End areas.

Councilmember Miller asked how home revitalizations affect adjacent property owners. Mr. Yatawara commented once the CDC begins rehabilitation nearby neighbors get excited and become motivated to repaint, repair, and add new landscaping to their own home.

Mr. Yatawara commented the CDC's foreclosure prevention program was presented between 2003 and 2016, and he noted the CDC has received up to \$8 million in funding from the United States Treasury through the North Carolina Housing Finance Agency. He commented during that time the CDC did not build new homes but fixed homes and worked with families to prevent foreclosure. He stated the CDC has assisted 378 families with foreclosure prevention in Salisbury, Rowan County, and six surrounding counties.

Councilmember Miller asked Mr. Yatawara if he was aware of the rehabilitation projects in Detroit, Michigan. Mr. Yatawara commented he was not. Councilmember Miller commented the TV Series called *This Old House* did a series on Detroit's real estate market and how to implement to utilize local resources. Councilmember Miller thanked Mr. Yatawara for his work, and he asked Mr. Yatawara what resources the CDC needs to make a bigger impact in the community. Mr. Yatawara reviewed the CDC's new construction process, and he noted the CDC waits to sell a home before purchasing another. He noted a lot more could be done in the City with \$1 million. Mr. Yatawara commented the monetary need is greater than it was 10 years ago because families are on fixed incomes and the CDC believes keeping families in their homes is important. He commented the CDC looks for additional funding on a daily basis.

Councilmember Alexander commended the CDC's Vice President Mae Carroll. Councilmember Alexander shared she has served on the CDC board for 20 years and appreciated the organization's contributions it has made to the City. Councilmember Miller asked why the CDC could not do more. Councilmember Alexander commented because of the lack of funding. Mayor Pro Tem Post commented the City has the tax base, but homes are not selling for what it would cost to replace them.

City Manager Lane Bailey commented the two incentives approved at this Council meeting could increase the City's tax base by 9% and would help provide more funding to enhance projects such as CDC projects.

Councilmember Miller asked if the CDC works with Code Enforcement. Mr. Yatawara commented the CDC works closely with Code Enforcement officers.

Councilmember Sheffield thanked the CDC for its work, and she asked how to attract more applicants for Revitalization Projects in the North Main and West End Communities. Mr. Yatawara commented the City has sent letters to families in the West End Community with an application deadline of October 26, 2018, and if no applications are received the next step would be to provide another street the opportunity to submit applications. He noted the CDC has a list of families who contact them who are interested in the revitalization program but are not located in the areas which rehabilitations are being completed at this time.

Councilmember Sheffield pointed out the Rowan County Chamber of Commerce has the Minority Business Council and could be a resource for the CDC's construction needs. Mr. Yatawara commented he would contact the Chambers of Commerce, and he indicated the CDC has a need for general contractors with liability and workers compensation coverage.

Mayor Heggins asked how the City can do more and commended the CDC for its work to provide families hope to own its first home.

## **CITY ATTORNEY'S REPORT**

### **(a) Resolution – Economic Development Empire Hotel**

City Attorney Graham Corriher provided Council with a Resolution to authorize the City Manager to execute documents for the development of the Empire Hotel. He noted the Local Government Commission (LGC) has approved the lease. He commented the developer and Downtown Salisbury, Inc. executed documents Friday, September 28, 2018, and he stated the last step for Council is to authorize the City Manager to sign the approved documents.

Thereupon, Mayor Pro Tem Post made a **motion** to authorize the City Manager to execute documents for the development of the Empire Hotel. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

## **RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS FOR THE DEVELOPMENT OF THE EMPIRE HOTEL**

(The above Resolution is recorded in full in Resolution Book No. 15 at Page No. 50 and 51, and is known as Resolution 2018-31.)

## **CITY MANAGER'S REPORT**

City Manager Lane Bailey announced Council will participate in a joint meeting with the Rowan-Salisbury Board of Education on Monday, October 8, 2018 at 2:00 p.m.

Mr. Bailey commented a groundbreaking ceremony took place this afternoon for new Fire Station 6. He commented the project is 14 months out, and the Local Government Commission (LGC) has approved the financing, and he added staff would continue to review Fire Station 3 needs as well.

Mayor Heggins thanked Chief Parnell and Mr. Bailey for their work regarding the fire stations.

## **ANNOUNCEMENTS**

Communications Director Linda McElroy announced Downtown Salisbury, Inc. will host the 6th annual Busker's Bash Friday, October 5, 2018 from 6:00 p.m. until 8:00 p.m. Talented musicians, artists, and specialty acts will perform on the streets of Downtown Salisbury and winners will be crowned at the end of the night. For more information, please visit [www.downtownsalisburync.com](http://www.downtownsalisburync.com) or call (704) 637-7814. This event is free and open to the public.

Communications Director Linda McElroy announced the Hispanic Coalition, a subcommittee of the Human Relations Council, will host its annual La Fiesta de Rowan Saturday, October 6, 2018 from 12:00 p.m. until 5:00 p.m. in the Bell Tower Green Lot located at Jackson and Church Streets. La Fiesta is a celebration of Hispanic/Latino culture through music, food, dance, and much more. This year's theme is Education, and Scholarships will be awarded in connection with the event. The fun-filled event brings people of diverse backgrounds together to share the Hispanic/Latino customs and traditions. This is a family event that connects the community at large and provides agencies and businesses an opportunity to share information and resources.

Communications Director Linda McElroy announced Salisbury Parks and Recreation, in partnership with Downtown Salisbury, Inc., will host the annual Halloween Fun Fest Saturday, October 27, 2018 from 3:00 p.m. until 6:00 p.m. in the City Hall parking lot. Activities will include carnival games, live entertainment, trick-or-treating, a hay bale maze, costume contest, pet costume contest, and more. Game tickets are \$5 for an unlimited pass.

## **COUNCIL COMMENTS**

Councilmember Sheffield announced an Election Review Process Committee meeting will be held October 17, 2018 at 1 Water Street at 5:00 p.m.

Councilmember Sheffield commented the City should review policies and ordinances regarding rideshare programs, and she suggested the City have a plan in place to regulate potential rideshare companies.

Councilmember Sheffield recognized Ms. Flora Steck and Ms. Liliana Spears for their volunteer work in the community. She pointed out a need for interpretation during Council meetings. Mayor Heggins commented she has had a discussion with Liliana Spears regarding the need for interpretation during Council meetings, and she noted she would return to Council with more information.

### **MAYOR'S COMMENTS**

Mayor Heggins commented her trip to the White House in Washington, D.C. for a Women's Mayor Conference was beneficial. She stated she met Ms. Tara Walter, Mayor of Florence Arizona and they had a discussion regarding Florence's past crime rates and its recent decrease in crime. She suggested a conference call to discuss opportunities to help reduce Salisbury's crime rates with Mayor Walter, the Chief of Police of Florence Arizona, and Salisbury's Police Chief Jerry Stokes.

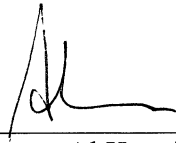
Mayor Heggins announced a Suggested Rules of Procedure Committee meeting will be held October 3, 2018 in Council Chambers in City Hall at 2:00 p.m.

Mayor Heggins announced Livingstone College will host its homecoming Saturday, October 6, 2018.

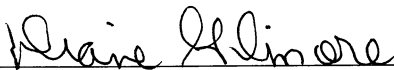
Mayor Heggins announced the La Fiesta de Rowan celebration will be held Saturday, October 6, 2018.

### **ADJOURNMENT**

Motion to adjourn the meeting was made by Councilmember Miller seconded by Mayor Pro Tem Post. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 7:55 p.m.



Al Heggins, Mayor



Diane Gilmore, City Clerk